

MSME SCHEMES IN INDIA-AN OVERVIEW

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Abstract

Micro, Small and Medium Enterprise (MSME) sector is the growth engine of Indian Economy. It has received due attention of Policy makers of the country due to its share in national exports employments and GDP. In manufacturing sector, MSMEs constitute 95 per cent of the total industrial units. To develop the overall MSME project government of India has implemented various schemes under MSME and this paper gives an overview of MSME schemes to reduce regional imbalances in the industrial development within the State and to facilitate setting up of Micro, Small and Medium Enterprises in backward areas of India and encourage modernisation and upgradation of technology in traditional sectors mainly to create employment opportunities particularly to the vulnerable sections of the society and rural people, ensuring inclusive development. Hence enhancing the competitiveness of this sector has become the priority of the government of India.

Keywords: MSME Schemes, Employment generation, Entrepreneurship,

Introduction

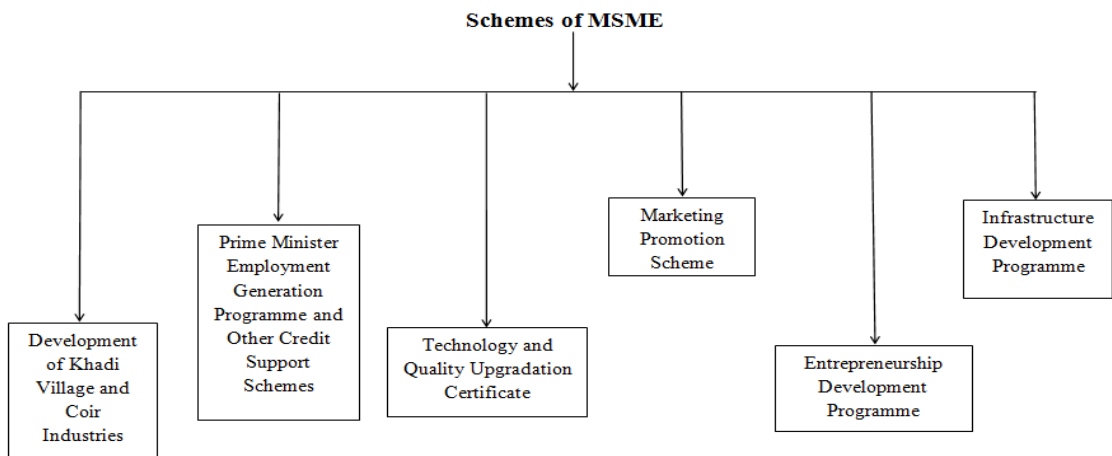
The micro, small medium enterprises (MSME) sector has emerged as a vibrant and dynamic sector of the Indian economy. MSMEs play a crucial role in providing large employment opportunities at a comparatively lower cost than large industries as ancillary units and this sector contributes significantly to the socio-economic development of the country. Micro, small and medium enterprises (MSMEs) in India have experienced several highs and lows in the past few years, but have been flourishing despite a challenging environment. The sector, which is the backbone of our economy, has to take cognisance of the changing Indian economic scenario; the Indian economy is likely to emerge as one of the leading economies in the world, poised to become a USD5 trillion economy by 2025. Thus, a major impetus is to be made to strengthen the sector as this has been a significant contributor in generating employment (across skill sets) and contributing to the nation's economy. The current government has thus launched many initiatives and taken steps to reorient the sector for an enhanced level of economic activity. Some financial, technical initiatives and support have been given to rejuvenate the sector; these include re-implementation of public procurement policies, MUDRA YOJANA, MAKE IN INDIA, START UP INDIA AND SKILL INDIA. These initiatives are aimed at empowering the sector so that growth increases by 12-15% per annum and its share in GDP increases to 25% by 2025.

Objectives

The following are the key objectives of this Policy.

- To revive the Micro, Small and Medium Enterprises in India and enable them to become competitive in a WTO compliant global market and become world leader in select segments.

- To reduce regional imbalances in the industrial development within the State and to facilitate setting up of Micro, Small and Medium Enterprises in backward areas of India.
- To encourage modernization and upgradation of technology in traditional sectors for having competitive edge in the wake of liberalisation and globalization.
- To create employment opportunities particularly to the vulnerable sections of the society and rural people, ensuring inclusive development.



Development of Khadi, Village and Coir Industries

Science And Technology Scheme	
Nature of assistance	Eligibility
The research outcomes are beneficial to the coir industry and trade in India and abroad.	Traders\manufactures\entrepreneurs\coir workers.
Market Promotion & Development scheme	
Nature of assistance	Eligibility
Modified MDA shall be allowed at 30% on the prime cost of khadi and polyvastra	The khadi institutions, having valid khadi certificate and categorised as A+,A,B and C only are eligible to avail MMDA grant from KVIC
Nature of assistance	Eligibility
Soft interventions ,hard interventions and thematic interventions Heritage cluster 1000-2500 artisans=8cr Major cluster 500-1000 artisans=3cr Mini cluster up to 500 artisans=1.5cr	Non-government organisations (NGOs), institutions of the central and state governments and semi-government institutions, field functionaries of state and central govt...panchayati raj institutions(PRIs)
Coir Udyami Yojana (CUY)	
Nature of assistance	Eligibility
10lakhs plus working capital, which shall not exceed 25% of the project cost Bank credit rate is fixed at 55%	Individuals, companies, self help groups, non government organizations, institutions registered under societies registration act 1860,production co-operative societies, joint liability groups and charitable trusts

Coir Vikas Yojana	
Nature of assistance	Eligibility
10lakhs plus working capital, which shall not exceed 25% of the project cost Bank credit rate is fixed at 55%	Individuals, companies, self help groups, non government organizations, institutions registered under societies registration act 1860, production co-operative societies, joint liability groups and charitable trusts
Coir Vikas Yojana	
Nature of assistance	Eligibility
Financial assistance is available for setting up of coir industries are 10 lakhs	All coir processing units registered with coir board

Prime Minister Employment Generation Programme and Credit Support Schemes

Nature of Assistance	Eligibility
The maximum cost of the projects\unit admissible manufacturing sector is 25 lakhs and in the service sector is 10 lakhs	All individuals above 18 years
Performance and Credit Rating Scheme	
Nature of assistance	Eligibility
Rating fee payable by the MSEs is subsidized by the government to the extent of 75% subject to ceiling of Rs 1500-Rs30000 or 40000 based on the turnover of the unit, for the first year of rating	Micro and small enterprises
Credit Guarantee Trust Fund for Micro & Small Enterprises(GST SME)	
Nature of Assistance	Eligibility
Collateral free loan up to a limit of Rs 100Lakh is available for individual MSE on payment of guarantee fee to bank by the MSE	Both eligible and new enterprise are eligible under the scheme

Technology Upgradation and Quality Certification

Financial Support To MSMEs In ZED Certification Scheme	
Nature of assistance	Eligibility
The subsidy provided by the government of India for MSME enterprises will be 80%,60%,50% special additional subsidy for SC/ST/WOMEN	All manufacturing MSME enterprises having udyog adh memorandum can apply
A scheme for promoting innovation, rural industry & entrepreneurship	
Nature of assistance	Eligibility
Total budget plan is Rs 62.50 crores	Incubator, technology business, NSIC, coir board and all other ministries

Marketing Promotion Schemes

International Cooperation	
Nature of assistance	Eligibility
Financial assistance for airfare and space rent in exhibitions for entrepreneurs for going in a delegation abroad	Industry associations

Marketing Assistance Scheme	
Nature of assistance	Eligibility
Maximum amount of 5lakh	MSMEs industry associations and other organisations related to MSME sector are eligible to apply
Marketing Assistance And Technology Upgradation(MATU)	
Maximum of Rs 1 lakh	All MSMEs

Entrepreneurship and skill development programme

Assistance To Training Institutions(ATI)	
Nature of assistance	Eligibility
NIMSME provided total grant up to 2.5 cr	Select state level EDI that enter into partnership with NIMSME

Infrastructure Development Programme

Micro & Small Enterprise Cluster Development	
Nature of assistance	Eligibility
Total fund for maximum eligible project is Rs. 10 Cr	Industrial associations/consortia, clusters

Conclusion

The Ministry of Micro, Small and Medium Enterprise has been continuously scrutinizing the policy frame work. The various schemes introduced by MSME sector in the country confirms the growth of Indian economy and it is useful for all level of peoples in India and there are 6 schemes and 12 major sub schemes, However the constraints they face make it difficult for them to compete globally, in the coming years to tackle this trend, new measures will be taken from the ministry of MSMEs

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